

legal maximum. The mean circulation of the old paper money in 1876 was 343,029,232 florins and of the salt notes 68,970,395 florins.

An effort was made in 1867 to bring; Austria within the circle of the Latin Union and to harmonize her monetary system with that of France, Italy, Belgium, and Switzerland. The government consented to the coinage of pieces of eight and four florins in gold, equivalent to pieces of twenty and ten francs (\$4 and \$2). The Franco-German war arrested the negotiations before they had been ratified, but the Imperial government immediately began the coinage of the proposed pieces, and they were accepted in France in public depositories by virtue of a decree of June 14, 1874. Their coinage averaged about 3,000,000 florins (\$1,500,000) per year, until it was suspended by the laws which reorganized the monetary system in 1892,

The domestic troubles which broke out in Austria before the defeat of Sadowa led to the reorganization of the Empire according to the system of dualism which now prevails. The Hungarian Diet was convoked at Pesth on November 19, 1866, and a basis of union with Austria upon the conditions of local independence was prepared by a committee of sixty-seven headed by Francis Deak. The Hungarian budget was to be entirely independent of that of Austria in all internal affairs except those affecting the army. The officials of the bank regarded their interest as fully protected in both Austria and Hungary by the law of 1862, but the bank soon found its rights in Hungary called in question and sought it new arrangement which would place them beyond attack. The Hungarian Diet passed a vote early in 1870, promising recognition to the bank until the expiration of its privileges in 1876, if the bank would consent to a payment to Hungary in the same proportion as that made to Austria, and if it would establish at Buda-Pesth an independent directorate for Hungary. The bank was willing to make a payment of 4,500,000 florins, but this was not acceptable to the Hungarian cabinet and the privileges of the bank approached expiration without an agreement. The Imperial government